



**THE WORKERS' COMPENSATION
RATING AND INSPECTION BUREAU**

*Massachusetts Workers Compensation
Assigned Risk Pool*

December 22, 2014

**MASSACHUSETTS WORKERS' COMPENSATION
ASSIGNED RISK POOL**

SPECIAL BULLETIN NO. 12-14

UPDATED INFORMATION ON RESIDUAL MARKET SHARE

The information in this bi-monthly Special Bulletin is provided as an indicator of the directional movement of the "Residual Market Share". Residual Market Share as used in this report is defined as:

$$\text{Residual Market Share} = (\text{SC}_{wp} + \text{VDAC}_{wp}) / (\text{SC}_{wp} + \text{VDAC}_{wp} + \text{VOL}_{wp})$$

- SC_{wp}** - Servicing Carrier Written Premiums
- VDAC_{wp}** - Voluntary Direct Assignment Written Premiums
- VOL_{wp}** - Voluntary Written Premiums

The basis for the written premiums used in this report is the sum of Standard Premium plus ARAP plus Expense Constant as contained in the WCRIBMA's Policy File Information System which reflects reported estimated values as of policy issuance.

The estimated policy year ultimate residual market share for the 12 months ending October, 2014 is 18.8%.

12 Month Interval	Policy Counts		Written Premium (\$ thousands)		Development Factor		Estimate Ultimate Written Premium ± (\$ thousands)		Estimated Ultimate Residual Market Share
	Voluntary	Residual Market	Voluntary	Residual Market	Voluntary	Residual Market	Voluntary	Residual Market	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(4)x(6)	(9)=(5)x(7)	(10)=(9)/[(8)+(9)]
Nov-10 - Oct-11	147,893	46,517	918,095	120,820	1.050	1.050	964,000	126,861	11.6%
Nov-11 - Oct-12	157,123	47,152	917,683	164,726	1.050	1.050	963,567	172,962	15.2%
Nov-12 - Oct-13	162,409	49,741	963,070	194,067	1.050	1.050	1,011,223	203,771	16.8%
Nov-13 - Oct-14	163,106	51,303	956,149	224,035	1.070	1.057	1,022,719	236,898	18.8%

The estimated ultimate market shares for the September and October policy months of 2012 through 2014 are as follows.

Month (1)	Policy Counts		Written Premium (\$ thousands)		Development Factor		Estimate Ultimate Written Premium ± (\$ thousands)		Estimated Ultimate Residual Market Share (10)=(9)/[(8)+(9)]
	Voluntary (2)	Residual Market (3)	Voluntary (4)	Residual Market (5)	Voluntary (6)	Residual Market (7)	Voluntary (8)=(4)x(6)	Residual Market (9)=(5)x(7)	
Sep-12	9,918	3,704	70,286	12,934	1.050	1.050	73,800	13,581	15.5%
Sep-13	10,077	4,001	69,192	15,865	1.063	1.055	73,565	16,740	18.5%
Sep-14	9,591	4,101	64,479	19,396	1.087	1.059	70,093	20,540	22.7%
Oct-12	11,790	3,883	80,020	13,273	1.050	1.050	84,021	13,937	14.2%
Oct-13	11,962	4,156	83,218	15,060	1.066	1.055	88,698	15,881	15.2%
Oct-14	11,237	4,311	81,644	16,527	1.085	1.096	88,607	18,118	17.0%

± Estimated Ultimate Written Premium incorporates an estimate of subsequent audit premium as reflected in the development factor. Scheduled review and adjustments are being made to the development factors as a policy year develops.

Similar ratios calculated using written premium at the Annual Statement Basis as reported on the Aggregate Financial Calls would tend to be higher because of the impact of deviations and schedule rating.

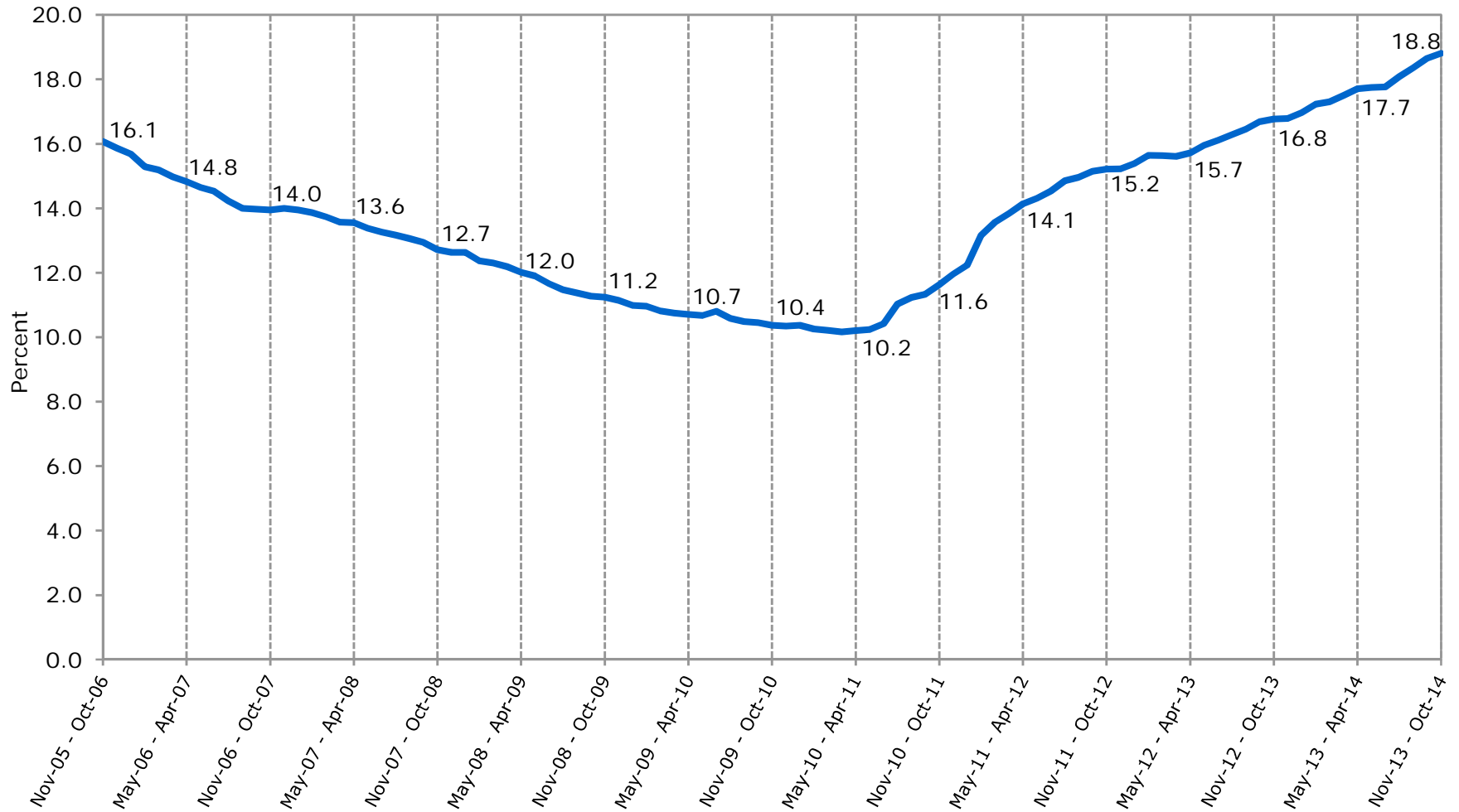
Policy Year	Estimated Ultimate Residual Market Share	Calendar Year	Residual Market Share Based on Annual Statement Data
2010	10.4%	2010	12.0%
2011	12.2%	2011	13.9%
2012	15.4%	2012	18.0%
2013	17.0%	2013	20.0%

Christine Cronin
Residual Market Specialist

Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share - 12 Month Moving Average

(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)

Data as of 12/15/14



Massachusetts Workers' Compensation Estimated Ultimate Residual Market Share by Month

(Servicing Carrier + VDAC) / (Servicing Carrier + VDAC + Voluntary)
Data as of 12/15/14

